



Affiliated Managers SICAV Parnassus US ESG Growth Equities

Website Product Disclosure



Summary

No Sustainable Investment Objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental/Social characteristics of the financial product

The analysis of ESG factors is systematically integrated into the investment decision making process of **Affiliated Managers SICAV Parnassus US ESG Growth Equities** (the “Sub-Fund”). The External Investment Manager defines ESG integration as the process of recognising the financial materiality (or significance) of environmental, social and corporate governance factors as part of the investment process. The Sub-Fund will use a selection of securities complying with ABN AMRO Investment Solutions (the “Management Company”) ESG responsibility criteria. The External Investment Manager must comply with the Management Company’s standards of quality and go through a qualitative selection process before being retained. This process involves an in-depth analysis of the External Investment Manager’s corporate social responsibility policy as well as its overall sustainability strengths going from the analysis of ESG professionals, philosophy and investment process. Under the ESG responsibility criteria of the Management Company, the External Investment Manager is committed to conducting both negative and positive screenings as well as taking engagement actions when necessary. The Sub-Fund will be composed of issuers that are either leading in ESG best-practice or attractive due to their progression in ESG.

The Sub-Fund promotes both environmental and social characteristics. On the environmental front, the Sub-Fund promotes climate risk management. The social characteristics promoted by the Sub-Fund focus on global human rights, labour standards as well as diversity, equity and inclusion.

Investment Strategy

The External Investment Manager has set up a process that integrates fundamental and ESG (Environment, Social and Governance) research to assess the business quality and valuation of potential companies. The ESG assessments include both screenings and a bottom up ESG evaluation. The investment strategy relies on a three-step process:

- To focus the External Investment Manager team’s resources on identifying and selecting high-quality companies, the External Investment Manager applies a Sustainability Lens to identify companies that they believe may operate in a manner that is inconsistent with the External Investment Manager’s Principles and investment philosophy (the “Caution List”). These are companies that they believe are exposed to heightened risk through their core business activities or due to problematic conduct or governance. The External Investment Manager may invest in a company on the Caution List and/or remove it from the list based on individual evaluations of the needs of each investment fund or mandate. In a second step, the External Investment Manager performs an extensive analysis of retained companies in order to evaluate their ESG profile including relevant ESG issues (material risks and opportunities) within the context of the underlying sector and industry. The External Investment Manager analyses each investment candidate’s material environmental, social and governance record. This analysis focuses on the issues that are most relevant and risks that are most material to the company. The framework used to analyse materiality is 1) financial and 2) reputational.
- An ESG risk assessment is completed for each potential holding. The assessment distils available ESG information, summarises key positives and risks, documents the material risks described above, and identifies opportunities for engagement. This assessment is a tool for the Chief Investment Officer of the External Investment Manager to use in making a final decision about whether the company is eligible for inclusion in the portfolio. Companies rated in the bottom 20% of the investment universe, as assessed by the ESG process, will not be considered for investment.

Proportion of Investment

The Sub-Fund will invest a minimum of 90% of its net assets in investments aligned with the promoted environmental and/or social characteristics. Consequently, up to 10% of its net assets may not be aligned with these characteristics.

Monitoring of the Environmental/Social characteristics

The Management Company and the External Investment Manager independently perform an assessment of the attainment of the Sub-Fund's environmental and/or social characteristics.

When assessing companies, the External Investment Manager reviews their scope 1 and 2 GHG emissions, Science Based Targets, board-level statistics, as well as labour standards. If these present a material or reputational risk to the company, the information would be summarized in the investment memo, that is updated at least annually. This data is also monitored at the portfolio level.

The External Investment Manager also continuously monitors the portfolio against global Human Rights issues, and companies' ability to attract, retain and help employees progress.

Investment policies and guidelines for the Sub-Fund are checked on a daily basis and on a pre-trade basis by the External Investment Manager, using their Compliance software.

The Management Company, through its Business Control & Oversight team, performs periodic ex-post controls to ensure that the portfolio complies with the commitments made. If a "non-compliant matter" is detected by the Management Company, its Business Control & Oversight team will first analyse it and engage in dialogue with the External Investment Manager if necessary. Depending on the nature of the non-compliance, the Management Company's ESG team may decide to monitor it using its proprietary "ESG Watchlist". If the non-compliance persists over time, an escalation process is put in place by the Management Company to ensure a timely remediation plan in the best interest of shareholders.

Data sources and processing

The External Investment Manager does not rely on third party data providers to determine the appropriateness of a company for the Sub-Fund. Nonetheless, the External Investment Manager incorporates external sources ESG research into its own analysis on companies, such as MSCI, Sustainalytics, and ISS.

The Management Company uses three external data providers as its main sources. Once collected from these sources, the data is integrated and stored in the internal front-to-back tool and/or available in the Management Company's dedicated data management system (which directly and continuously obtains data from the providers). Information is also available via dedicated portals developed by external data providers, access to which is limited to specific users of the Management Company.

Due Diligence

In terms of Due Diligences at investment level, the External Investment Manager will attribute a portfolio manager sponsor and an analyst to undergo deep fundamental analysis. The director of ESG research in a first step will recommend the company for inclusion and the CIO will finally approve (or not) the company as eligible for inclusion in the portfolio; finally the company that passes will be added to the trading and monitoring internal system of the External Investment Manager.

The Management Company carries out due diligences for the selection of delegated strategies as well as for open-ended investment funds. The Manager Due Diligence analysts' team (MDD) identifies and selects high quality investment strategies and monitors the universe of approved strategies. The MDD team focuses on all investment and sustainability-related elements of an investment strategy. The Management Company's in-depth analysis is based on a "5-P approach": Parent, People, Process, Portfolio and Performance. Each of the previously outlined aspects is evaluated and ultimately leads to a final rating of the strategy. As part of the monitoring process, the MDD team periodically reviews the performance of the strategy to ensure that it remains aligned with the investment style of the portfolio. The ESG team supports the MDD team in reviewing the process and methodologies implemented by the external asset managers when considering sustainability issues. The ESG team provides qualitative feedback during the selection phase and supports the MDD team throughout its analysis process, using the "5-P approach" aforementioned. In addition, during the monitoring phase, the ESG team will monitor the Sub-Fund's characteristics and performance related to the environmental and/or social characteristics defined (including the review of underlying investments).



No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.



Environmental/social characteristics of the financial product

The analysis of ESG factors is systematically integrated into the investment decision making process of **Affiliated Managers SICAV Parnassus US ESG Growth Equities** (the “Sub-Fund”). The External Investment Manager defines ESG integration as the process of recognising the financial materiality (or significance) of environmental, social and corporate governance factors as part of the investment process. The Sub-Fund will use a selection of securities complying with ABN AMRO Investment Solutions (the “Management Company”) ESG responsibility criteria. The External Investment Manager must comply with the Management Company's standards of quality and go through a qualitative selection process before being retained. This process involves an in-depth analysis of the External Investment Manager's corporate social responsibility policy as well as its overall sustainability strengths going from the analysis of ESG professionals, philosophy and investment process. Under the ESG responsibility criteria of the Management Company, the External Investment Manager is committed to conducting both negative and positive screenings as well as taking engagement actions when necessary. The Sub-Fund will be composed of issuers that are either leading in ESG best-practice or attractive due to their progression in ESG.

The Sub-Fund promotes both environmental and social characteristics. On the environmental front, the Sub-Fund promotes climate risk management. The social characteristics promoted by the Sub-Fund focus on global human rights, labour standards as well as diversity, equity and inclusion.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.



Investment Strategy

Description of the strategy

The External Investment Manager has set up a process that integrates fundamental and ESG (Environment, Social and Governance) research to assess the business quality and valuation of potential companies. The ESG assessments include both screenings and a bottom up ESG evaluation. The investment strategy relies on a three-step process:

- To focus, the External Investment Manager team's resources on identifying and selecting high-quality companies, the External Investment Manager applies a Sustainability Lens to identify companies that they believe may operate in a manner that is inconsistent with the External Investment Manager's Principles and investment philosophy (the “Caution List”). These are companies that they believe are exposed to heightened risk through their core business activities or due to problematic conduct or governance. The External Investment Manager may invest in a company on the Caution List and/or remove it from the list based on individual evaluations of the needs of each investment fund or mandate.

- In a second step, the External Investment Manager performs an extensive analysis of retained companies in order to evaluate their ESG profile including relevant ESG issues (material risks and opportunities) within the context of the underlying sector and industry. The External Investment Manager analyses each investment candidate's material environmental, social and governance record, including their environmental impact; how they treat their employees; the quality of their relationships with local communities, customers and the supply chain; and their corporate governance policies and practices. This analysis focuses on the issues that are most relevant and risks that are most material to the company. The framework used to analyze materiality is 1) financial - risks that may affect the financial performance and success of a company and 2) reputational – whether the company's public perception may be impacted by its management of material ESG topics.
- An ESG risk assessment is completed for each potential holding. The assessment distils available ESG information, summarizes key positives and risks, documents the material risks described above, and identifies opportunities for engagement. This assessment is a tool for the Chief Investment Officer of the External Investment Manager to use in making a final decision about whether the company is eligible for inclusion in the portfolio. Companies rated in the bottom 20% of the investment universe, as assessed by the ESG process, will not be considered for investment.

Methodological limitations can be assessed in terms of: nature of ESG information (quantification of qualitative data), ESG coverage (some data are not available for certain issuers) and homogeneity of ESG data (methodological differences).

Good governance practices

The Sub-Fund incorporates good governance into its investment decision-making process, utilising both qualitative and quantitative assessments of governance practices.

The Management Company's good governance framework is employed to evaluate corporate governance, establishing criteria to identify companies that fail to meet good governance standards and exclude them from the investment universe. This framework aligns with widely recognized industry standards, covering aspects such as sound management structures, employee relations, remuneration of staff, and tax compliance.

Additionally, the External Investment Manager should apply its corporate governance assessment while complying with the one of the Management Company.



Proportion of investments

The Sub-Fund invests at least 90% of its net assets in assets that have been determined as “eligible” as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics)).

Up to 10% of the investments are not aligned with these characteristics (#2 Other). “#2 Other” includes derivatives, funds (including Exchange Traded Funds) and bank deposits at sight, including cash held in current accounts with a bank accessible at any time. These are used for Investment, hedging and efficient management portfolio purposes. There are no minimum environmental or social safeguards associated with these investments. A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus.



Monitoring of environmental or social characteristics

The Management Company and the External Investment Manager independently perform an assessment of the attainment of the Sub-Fund's environmental or social characteristics, and of the sustainable investment objective (for the sustainable investments that the Sub-Fund intends to make).

The External Investment Manager monitors climate risk management primarily through scope 1 and 2 carbon emissions. They also believe that companies that have implemented Science Based Targets are better positioned to manage their businesses through the transition. The External Investment Manager reviews this information when assessing companies for inclusion in the portfolio and this information would be summarised in the investment memo (updated at least on an annual basis) if potentially material to the stock, or a reputational risk to the company. This data is also monitored at the portfolio level.

The External Investment Manager monitors diversity and inclusion practices through board level statistics. This is assessed when companies are reviewed for inclusion in the portfolio and this information would be summarised in the investment memo (updated at least on an annual basis) if potentially material to the stock, or if they represent a reputational risk to the company. This data is also monitored at the portfolio level.

The External Investment Manager evaluates global Human Rights issues, as applicable, for supply chains, operations and products. The portfolio is monitored on these issues on a continuous basis.

The External Investment Manager reviews labour standards when assessing companies for inclusion in the portfolio and this information would be summarised in the investment memo (updated at least on an annual basis) if potentially material to the stock, or a reputational risk to the company.

The External Investment Manager also monitors the ability to attract, retain and develop employees based on its benefits, training and development programs, and employee engagement by using MSCI Human Capital Development scores at the portfolio level.

Investment policies and guidelines for the Sub-Fund are checked on a daily basis and on a pre-trade basis by the External Investment Manager using their Compliance software.

At Management Company's level, the monitoring of environmental or social characteristics of the investment product is ensured through a dedicated control framework. The Management Company, through its Business Control & Oversight team, performs periodic ex-post controls to ensure that the portfolio complies with the commitment made (e.g., control of the ESG score, of the compliance with the set of exclusions, etc.). In case a "non-compliant matter" is detected by the Management Company, the Business Control & Oversight team will first analyze it and engage in dialogue with the External Investment Manager if necessary.

Depending on the nature of the non-compliance, the Management Company's ESG team may decide to monitor it using its proprietary "ESG Watchlist". If the non-compliance persists over time, an escalation process is put in place by the Management Company to ensure a timely remediation plan in the best interest of shareholders.



Methodologies

ESG analysis is systematically integrated into the investment decision making process. As part of its ESG framework, the Management Company uses the following sustainability indicators to measure the achievement of each of the environmental or social characteristics promoted by the Sub-Fund:

- Absence of companies that do not meet the criteria defined in the Management Company's Exclusion List and that are deemed incompatible with the E/S promotion (e.g. tobacco, controversial weapons).
- Controversy Level Assessment - Controversy involvement is a key measure of ESG performance. Controversy level assessment reflects a company's level of involvement in issues and how it manages those issues.
- Compliance with the UN Global Compact - The United Nations Global Compact is the world largest corporate sustainability initiative aimed at encouraging businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

- ESG Risk Scores - ESG risk scores measure a company's exposure to material industry-specific ESG risks and how the company manages those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk.
- Scope 1 GHG Emissions - Scope 1 emissions emanate from a company's internal operations, including on-site energy production, vehicle fleets, manufacturing operations, and waste.
- Scope 2 GHG emissions - Scope 2 emissions are indirect emissions generated by the production of energy used by the company.



Data sources and processing

The External Investment Manager conducts internal ESG research and selectively incorporates externally sourced ESG research data into its analysis on companies. The primary external ESG research providers are MSCI, Sustainalytics and ISS. Details on individual companies' ESG profiles are typically verified using company disclosures, discussions with company representatives and third-party sources.

Regarding climate risk management, data on scope 1 & 2 emissions is provided by ISS. Board diversity statistics are also provided by ISS. In addition, most companies in the S&P 500 self-report. When assessing a company's ability to attract, retain and help employees progress, the External Investment Manager relies on MSCI's proprietary Human Capital Development scores.

The External Investment Manager does not rely on third party data providers to determine the appropriateness of a company for client portfolios. The External Investment Manager's proprietary research methodology, implemented by their in-house team, drives decision-making. The External Investment Manager often speaks directly with company management teams to address significant gaps in information and they pursue engagement after purchase in order to improve ESG reporting.

The Management Company monitors the attainment of the environmental and/or social characteristics of the Sub-Fund by using its own data providers.

The Management Company uses three external data providers as its main sources:

- The Management Company assesses the environmental and/or social characteristics of the Sub-Fund's constituents using the external data provider Sustainalytics. The Management Company uses Sustainalytics for ESG risk scores, controversy, product involvement, as well as alignment with global standards (e.g., OECD Guidelines for Multinational Enterprises).
- The Management Company uses Morningstar to analyse the Sub-Fund's peer group, as well as for various ESG data calculations at portfolio level.
- The Management Company uses the data provider ISS for climate and impact data.

Once collected from these sources, the data is integrated and stored into the front-to-back internal tool and/or available in the Management Company's dedicated data management system (which directly and continuously obtains data from the providers). Information is also available via dedicated portals developed by the external data providers, access to which is limited to specific users of the Management Company. The Management Company verifies that the data is available, reported (or calculated), and reliable over time. On a case-by-case basis (e.g., if an ESG score is missing), the Management Company may use other sources of information to form its own opinion regarding the ESG suitability of any investment opportunity with the Sub-Fund's strategy.



Limitations to methodologies and data

The Management Company and the External Investment Manager noticed that methodologies and data used have the following limitations:

- Data quality: The External Investment Manager's approach includes qualitative analysis of a company's ESG credentials. The methodology is subject to limitations, including reliance on the quality of data provided by investee companies or third-party research providers.
- Coverage: The External Investment Manager's team of ESG analysts may not be staffed to cover the entire investment universe and methodological limitations exist. In addition, with respect to external data providers, although the number of companies covered by data providers has increased significantly over time, and continues to increase, there may be instances where a specific company is not assessed by them. This is because either the data provider does not cover the company in question, or the company has not provided the data necessary for a proper assessment by the data provider.
- Discrepancy in ESG ratings: The External Investment Manager obtains its data from different data providers that have different methodologies for assessing ESG performance. The result of their assessment may be to some extent subjective and inconsistent.
- Estimated data: Not all data points are reported data and some of the data used are estimated. For example, in the case of carbon data or ESG ratings, some technical calculations may be based on estimated data (by reference to a peer group average for example).



Due diligence

The External Investment Manager's research process starts with fundamentals. Those companies that have sponsorship by a portfolio manager then undergo deep fundamental and ESG research by the analyst, supported by the director of ESG research in identifying risks and opportunities.

The first task of the External Investment Manager's team is to check their restricted list. The restricted list includes companies that are neither complying with the External Investment Manager's nor the Management Company's exclusionary screens, as well as other companies that have been deemed ineligible due to controversial business activities, poor management of ESG risk, or other factors.

The covering analyst of the External Investment Manager, with support from the director of ESG research, then performs extensive research into the ESG profile of each potential holding, which culminates in a recommendation on the stock that is provided to the chief investment officer of the External Investment Manager.

This report is a tool for the CIO of the External Investment Manager to use in making a final decision about whether the company is eligible for inclusion in the External Investment Manager's funds. Once a company has been approved for investment, it is added by the External Investment Manager's Compliance team to their trading and portfolio monitoring system.

As part of its business model, the Management Company carries out due diligences for the selection and monitoring of externally managed strategies. The Manager Due Diligence (MDD) and ESG teams are actively carrying out due diligences on the underlying assets of the Sub-Fund.

The MDD team identifies and selects high quality external investment strategies and monitors the universe of approved strategies. The MDD analyst team focuses on all investment and sustainability-related elements of an investment strategy, such as organisation, team, investment, portfolio construction, process, track record, etc. MDD's research reports include a thorough sustainability due diligence and a separate sustainability rating. For all strategies, MDD analysts assess the External Investment Manager's commitment to and transparency on sustainable investing. They also assess to what extent, and at what stages, ESG criteria are integrated into the investment strategies and effectively taken into account in the investment process and the portfolio. This analysis is carried out by means of a questionnaire sent via the Management Company's proprietary platform, Deeligenz, as well as during meetings with the professionals involved in the strategy (e.g., portfolio managers, financial analysts, ESG analysts, management team, etc.). The Management Company's in-depth analysis is based on a "5-P approach": Parent, People, Process, Portfolio and Performance. Each of the previously outlined aspects is evaluated and ultimately leads to a final rating of the strategy.

As part of the monitoring process, the MDD team reviews the performance of the strategy on a monthly basis to ensure that it remains aligned with the investment style of the portfolio. The MDD team has the transparency and regularly monitors the delegated strategy's portfolio. ESG ratings, as well as other ESG or sustainable

characteristics of the portfolio's underlying assets are monitored regularly. In addition, MDD analysts have quarterly meetings with the External Investment Managers to discuss recent performance as well as recent transactions to monitor alignment with the initially selected investment and sustainability philosophy. To prepare for the meeting, MDD analysts send out a monitoring questionnaire using the Management Company's proprietary platform, Deeligenz, with questions related to the portfolio, performance, and sustainability factors. During the calls, the External Investment Manager clarifies if there have been any changes in the team and processes. Analysts and External Investment Manager also discuss their recent engagements and milestones during the period. In addition, the MDD analysts monitor any significant events that may affect the External Investment Manager, e.g., with respect to their investments, financial and ESG analysts, investment process, capacity for engagement. Each significant change may affect the strategy's rating based on the 5-Ps, which may lead to a change in the strategy's ratings, including the sustainability rating.

The ESG team supports the MDD team in reviewing the process and methodologies implemented by the External Investment Manager when considering ESG and sustainability issues. The ESG team provides qualitative feedback during the mandate selection phase and supports the MDD team throughout its analysis process, using the "5-P approach" aforementioned. In addition, during the monitoring phase, the ESG team will monitor the Sub-Fund's characteristics and performance related to the environmental and/or social characteristics initially defined. The ESG team will also monitor the Sub-Fund's underlying investments against the environmental and/or social characteristics promoted, as well as the sustainability indicators for all the Sub-Fund's holdings. If a holding is identified as not meeting the sustainability indicators of the Sub-Fund, the ESG team will further investigate the issue through an internal analysis. If the ESG team considers the risk to be insubstantial, it may permit the External Investment Manager to maintain its position in the holding. In addition, the ESG team is responsible for periodically reviewing the exclusion lists, assessing the relevance of the latest ESG information regarding restricted companies, and updating the lists accordingly, thereby adjusting the portfolios. The ESG team also ensures the proper understanding and implementation of regulatory requirements on green finance, such as SFDR, RTS or Taxonomy, throughout the entire product range. Lastly, the ESG team is responsible for the sustainable labelling of the Management Company's product range. Overall, the ESG team plays a very transversal role in the Management Company's organisation, as ESG is at the heart of its investment strategy.



Engagement policies

The Management Company is a specialist in sub-advisory. As part of its business model, the selected External Investment Managers undertake the responsibility of engaging with the companies. To ensure the homogeneity of the voting for all its funds, the Management Company undertakes the responsibility of voting and will vote for the Sub-Fund. Nonetheless, the External Investment Manager may play an advisory role and guide the Management Company on specific issue they are engaged with. The Management Company will remain the final decision-maker on the voting.

The engagement and voting policies of the Management Company are available on its website.

The External Investment Manager engages companies in alignment with their principles, to build value and to mitigate potential ESG risks. Engagements may be event-driven or represent ongoing concerns. The External Investment Manager may also engage to better understand a company's governance, strategy, risk management or metrics and targets around material ESG issues. The External Investment Manager engages companies both individually and collaboratively with industry partners. Through their engagements, the External Investment Manager seeks constructive dialogues that lead to demonstrable improvements, recognising that companies may require flexibility and creativity to implement what is requested of them.

Any of the following engagement methods may be utilised:

- Speaking or meeting directly with company management teams or other relevant representatives
- Letters from the External Investment Manager to investee companies' management or Boards of Directors
- Industry-wide responsible investing initiatives, such as sign-on letters and engagement working groups
- Filing of shareholder resolutions
- Other methods of communication

If engagements are unsuccessful or companies are insufficiently responsive, the External Investment Manager may utilise escalation tools including organising with other investors to engage the company, or filing shareholder proposals.

The External Investment Manager will utilise this process when they believe that a company is insufficiently addressing or disclosing information on a significant ESG risk, and is insufficiently responsive to their engagement attempts or requests for action. The External Investment Manager may coordinate with the Management Company, with other like-minded responsible investors in filing or co-filing shareholder resolutions.



Designated reference benchmark

No specific ESG-related index has been designated for this Sub-Fund.